Before the

Federal Communications Commission

Washington, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's	)	MM Docket No. 92-51
Regulations and Policies	)	
Affecting Investment in	)	
the Broadcast Industry	)	

To: The Commission

COMMENTS OF TAK COMMUNICATIONS, INC.

Ralph W. Hardy, Jr.
Thomas J. Hutton
Leonard J. Kennedy

DOW, LOHNES & ALBERTSON
1255 Twenty-Third Street, N.W.
Suite 500
Washington, D. C. 20037
(202) 857-2500

Margaret J. Vergeront
Brady C. Williamson

LA FOLLETTE & SINYKIN
Suite 500
One East Main Street
Post Office Box 2719
Madison, Wisconsin 53701-2719
(608) 257-3911

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SUMMARY

No basis exists for overturning the longstanding prohibition on security interests in broadcast licenses. The prohibition is required by the Communications Act of 1934, as amended (the "Act"). By its very nature, a security interest in an FCC license would constitute a right beyond the terms of the license, in violation of Sections 301 and 309(h) of the Act. Also, the grant of a security interest in a broadcast license would constitute a transfer of rights under that license, in violation of Section 310(d). The Commission has interpreted the Act as prohibiting security interests throughout the Act's 58-year history, most notably in a rulemaking proceeding concluded less than ten years ago. Accordingly, a change in the current policy would require action by Congress.

Even if the Act did not prohibit security interests in broadcast licenses, from a policy standpoint the negative consequences of a reversal in current policy far outweigh the largely speculative benefits presented by the financial institutions seeking such a reversal. The current tightness in the credit market is a problem for broadcasters, but it cannot be attributed to the decades-old policy against security interests in broadcast licenses. A reversal of the current policy would endanger the independence of licensees, discourage program suppliers from

extending credit to broadcasters pursuant to long-term programming agreements, and discourage continuation of operations by broadcasters in loan default.

If the Commission nevertheless decides that a change in the policy is permissible under the Act and appropriate, it should not allow the new policy to apply retroactively. Many senior lenders have included "springing" security interests in their credit or security agreements, providing that a security interest will attach to the broadcast licenses if such security interests become permissible. These "springing" security interests would give the new policy retroactive effect in many instances, defeating the legitimate expectations of current unsecured creditors, such as program suppliers. Accordingly, if the current policy is reversed, the new policy should apply only to credit or security agreements entered into after the effective date of the new policy.

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COMMENTS OF TAK COMMUNICATIONS, INC.

Tak Communications, Inc. ("TakCom"), by its attorneys and pursuant to Section 1.419 of the Commission's Rules, hereby comments on the above-captioned Notice of Proposed Rule Making insofar as it concerns the issue of security interests and reversionary interests in licenses issued by the Commission. For the reasons shown below, the Communications Act of 1934, as amended (the "Act"), does not permit security or reversionary interests in FCC licenses. Even if the Act did permit such interests, public policy considerations favor continuation of the existing prohibition of such interests. If the Commission nevertheless were to alter its current policy, it should not allow the new policy to apply retroactively.

1. Introduction

TakCom is the licensee of eleven commercial radio and television stations.[1/] On January 3, 1991, TakCom filed a voluntary petition for relief under Chapter 11 of the federal bankruptcy code. That proceeding is pending as Case No. MM-11-91-00031 in the United States Bankruptcy Court for the Western District of Wisconsin. Among the parties to that proceeding are the official committee of creditors appointed by the Court and the company's seven secured creditors (hereafter referred to alternatively as the senior creditors or the banks), which have claimed a security interest in all of the company's real and personal property, including its FCC licenses. The creditors' committee, the banks and the company itself all have now filed plans of reorganization that are pending before the Court.

On October 10, 1991, in response to the banks' own complaint, the bankruptcy judge entered an order providing that TakCom's secured creditors did not have a valid security interest in the company's FCC licenses and granted summary judgment to TakCom on that issue. 1991 Bankr. Lexis 1407 (Bankr. W.D. Wis. 1991). That order was based on the

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1/ TakCom, as debtor-in-possession, is the licensee of: KITV(TV), Honolulu, KHVO(TV), Hilo, and KMAU(TV), Wailuku, Hawaii; WJQY(FM), Ft. Lauderdale, Florida; WKIO(FM), Urbana, Illinois; WGRZ-TV, Buffalo, New York; WUSL(FM), Philadelphia, Pennsylvania; WQOW-TV, Eau Claire, WXOW-TV, La Crosse, WKOW-TV, Madison and WAOW-TV, Wausau, Wisconsin.

longstanding FCC policy prohibiting security interests in FCC licenses. This ruling was affirmed by the United States District Court for the Western District of Wisconsin in a carefully reasoned Opinion and Order entered on March 23, 1992 (attached as Exhibit One). 138 B.R. 568, 70 R.R.2d 810 (W.D. Wis. 1992). The senior creditors have appealed that ruling to the United States Court of Appeals for the 7th Circuit and, on June 8, 1992, they filed their mutual brief in the case.

The banks' claim to a security interest in TakCom's FCC licenses was based on the Revolving Credit Agreement and Security Agreement (hereafter referred to as the Agreement) dated September 20, 1988 between TakCom and its banks. Among other things, that Agreement gave the banks a pledge of TakCom's capital stock and a security interest in TakCom's tangible and intangible property, including:

> to the extent that such rights are assignable, the Company's [TakCom's] rights under all present and future authorizations, permits, licenses and franchises issued, granted or licensed to the Company for the construction, installation or operation of television or radio broadcast stations . . . .

Agreement, Section 1(b).

Section 14 of the Agreement prohibited the parties from transferring control of any FCC licenses without FCC consent, if required by law. Section 14 also required

TakCom to cooperate in securing the banks' rights, including filing applications with the FCC for consent to a transfer of the licenses. The banks' right to take possession of the collateral in the event of a default by TakCom was made subject to the provisions of the Uniform Commercial Code or other applicable law, moreover, including the rules and regulations of the Federal Communications Commission. After the execution of the Agreement, the banks filed Uniform Commercial Code (UCC) financing statements listing a security interest in favor of the banks in TakCom's licenses.

Following the TakCom bankruptcy filing, the banks filed an adversary proceeding and a motion for summary decision seeking a declaratory ruling upholding the validity of the claimed security interests in TakCom's FCC licenses. In doing so, the banks characterized their claimed security interest as a "limited" security interest that could be enforced through a public sale, subject to FCC approval, rather than through an immediate right to seize and sell the collateral as contemplated by Article 9 of the UCC. Alternatively, the banks have argued that, even if they do not have a valid security interest in TakCom's FCC licenses, they do hold a valid security interest in TakCom's rights under its licenses, particularly in TakCom's right under Section 310(d) of the Act to transfer its licenses and the

right to the proceeds from any sale of the licenses and other assets. As another alternative, the banks have argued that such rights may be considered a "general intangible" property right within the meaning of their security documents. Although the bankruptcy court and federal district court have rejected these claims, the banks continue to press them through their pending appeal of the grant of TakCom's cross-motion for summary decision.

A change in FCC policy on security interests arising out of this proceeding would not and should not affect the outcome of the banks' appeal. The issue in the appeal is the state of the law as of January 3, 1991, the date of the TakCom bankruptcy filing. As of that date, and to the present date, security interests in FCC licenses have never been allowed by the Commission. The purpose of this rulemaking is to consider the legality and desirability of a prospective change in that policy.[2/] Accordingly, TakCom's

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2/ TakCom regards security interests and reversionary interests in FCC licenses as raising the same legal issues and very similar policy issues. Accordingly, TakCom's comments on security interests should be read as including reversionary interests, at least to the extent reversionary interests arise as security in connection with sales of broadcast stations. In fact, TakCom believes the FCC should expand its rule on reversionary interests in broadcast licenses (47 C.F.R. § 73.1150) to prohibit expressly security interests in licenses. As TakCom explains below, the focus on reversionary interests in that rule, which was first adopted in 1949, has more to do with the absence of bank loans for broadcast transactions in the early days of broadcasting than with any legal distinction between

(continued...)

comments here are not part of an effort to preserve a favorable court ruling, but instead reflect the views of a party that has been immersed in this issue for some time as a licensee and a borrower. Based on its review of the relevant legislative materials and FCC and court decisions, TakCom submits that the Act precludes security interests in FCC licenses. The FCC and the federal courts consistently has interpreted the Act as precluding such interests, and Congress has never enacted legislation to overturn that longstanding interpretation. Any request to change the prohibition on security interests in FCC licenses should be directed to Congress rather than the Commission.

Even if the Act permitted security interests in FCC licenses, from a policy standpoint the negative consequences of a change in the current policy for licensees and unsecured creditors easily outweigh the marginal additional protection that could be provided to secured creditors. The tightness in the credit market for broadcast loans is not due to the decades-old policy against security interests in broadcast licenses. Rather, it is due to such factors as the impact of the national economic recession on the industry and the default rate on outstanding broadcast

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2/ (...continued)
security interests and reversionary interests. Amending the rule to cover security interests in broadcast licenses would make the current policy even clearer to the courts now or hereafter facing this issue.

loans. If the FCC nevertheless concludes that a change in the current policy would be lawful and appropriate, it should make clear that the change is prospective only (i.e., applicable only to security or credit agreements executed after the effective date of the new policy), so as not to defeat the legitimate expectations of current unsecured creditors of broadcasters.

2. The Communications Act Does Not Allow Security Interests in FCC Licenses.

A. The Statutory Language Is Inconsistent With Security Interests.

There is no dispute that the remedies under Article 9 of the UCC for creditors whose loans are in default are inconsistent with the provisions of the Act requiring prior FCC approval for an assignment of any FCC licenses. For instance, UCC § 9-503 gives a secured party the immediate right to seize the collateral in the event of a default by debtor. The secured party may sell the collateral, by either public or private sale, and apply the proceeds to the debt, id. at § 9-504, or keep the collateral subject only to giving the debtor prior notice, id. at 9-505(2).

Even in the TakCom case, where the banks strained to interpret the Act and the case law to allow security interests in FCC licenses, the banks did not claim that such remedies could override the requirement of prior FCC consent

to an assignment or transfer of licenses. Rather, the banks sought to reconcile the UCC with the Act by asking the court to recognize a "limited" security interest, limited in the sense that a creditor's sole remedy upon default would be to conduct a public sale of the FCC licenses and other assets, subject to FCC approval. Hogan & Hartson and others have taken a similar approach at the FCC, asking the FCC to reconcile the Act with the UCC by limiting creditors' remedies under Article 9 of the UCC to a public or private sale of the licenses, subject to FCC approval.

However, the efforts to develop a "limited" security interest in FCC licenses by limiting creditors' remedies overlook the basic nature of a security interest. A security interest constitutes "a legally protected property right in the collateral." T. Quinn, Uniform Commercial Code Commentary and Case Digest, § 9-101(d) (1978). Any such property right is continuous, by definition, and it remains valid even if the collateral is assigned. UCC § 9-205. Under this basic principle, a security interest in an FCC license would give the secured party an immutable right in the license of indefinite duration, regardless of the FCC's authority and its exclusive right to designate the licensee.

The Act cannot be squared with the proposition that a third party can hold a property interest, unlimited

in duration, in a broadcast license and enforce that interest under state law. Section 301 of the Act states that the Act's purpose is, in part, "to provide for the use of [channels of radio and television transmission], but not the ownership thereof, by persons for limited periods of time, under licenses granted by Federal authority, and no such license shall be construed to create any right, beyond the terms, conditions, and periods of the license." 47 U.S.C. § 301 (emphasis added). Section 309(h) provides that a broadcast license "shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized therein . . . ." Any security interest in an FCC license would be inconsistent with these provisions, because a security interest is an interest beyond the terms of an FCC license.

Moreover, a grant of a security interest in an FCC license would violate Section 310(d) of the Act, which requires FCC approval before any broadcast license or "any rights thereunder" may be "transferred, assigned or disposed of in any manner." In the TakCom bankruptcy proceeding, the banks argued that the Agreement, in the words of Section 310(d), "transferred, assigned and disposed of" a legally protected property right under each of TakCom's FCC licenses, even though FCC approval was never sought or

obtained pursuant to the security provisions of that agreement. This claim is flatly inconsistent with the language of Section 310(d) of the Act.

B. The Commission's Current Interpretation of the Act Is Consistent With The Intent of Congress.

The banks that have commented on the applicability of the Act have relied heavily on Bill Welch, 3 FCC Rcd 6502 (1988), in which the Commission re-examined its interpretation of §§ 301, 304 and 310(d) of the Act and reversed the policy prohibiting the sale of "bare" authorizations for unbuilt facilities in the cellular service. However, Welch did not address the issue of whether the Act permits security interests in licenses. It dealt only with the ability to profit from the transfer of a cellular construction permit. While Welch's analysis of the legislative history of the Act contains material that is helpful in deciding the issue addressed in Welch, it is not helpful in resolving the security interest issue.

The major focus of the legislative debate over Sections 301, 304, 309 and 310 was on "vested" interests in broadcast licenses. The prevailing view was that the licensees should receive authorizations that were expressly limited in scope and duration, with the government reserving all rights in the spectrum beyond the terms of the authorizations. The Congressional debate did not focus on the

issue of the permissibility of security interests in FCC licenses.[3/] The intent of Congress is clear, however, from Commission decisions immediately following the enactment of the Act.

Hogan & Hartson has argued, as the banks argued in the TakCom case, that the FCC's prohibition of security interests in FCC licenses emerged out of dicta in the Twelve Seventy, Radio KDAN and other decisions beginning in the 1960's.[4/] However, there were much earlier cases addressing the same issue in the context of reversionary interests in licenses. The early cases did not involve security interests for the simple reason that broadcasting was an infant business, and banks were not then making loans for the acquisition of broadcast stations.

3/ However, one of the conferees did make clear in the Senate debate the drafters' intent to prevent the assertion of any right beyond the rights set forth in the license:

> MR. WATSON. [W]e were so exceedingly anxious to prevent any vested right in any wave length or any right to use the ether for any purpose other than prescribed in the license that we added the other two restrictions [Sections 304 and 309(h)].

68 Cong. Rec. 2871 (1927).

4/ See Twelve Seventy, Inc., 6 R.R. 2d 301 (1965); Radio KDAN, Inc., 11 FCC 2d 934, recon. denied, 13 R.R. 2d 100 (1968), aff'd on procedural grounds sub nom Hanson v. FCC, 413 F.2d 374 (D.C. Cir. 1969). TakCom disagrees not only with the claim that these decisions represented the genesis of the prohibition on security interests in broadcast licenses, but also with the Hogan & Hartson interpretation of the language in those decisions.

The early cases involved attempts to circumvent the provisions of the Act through radio station leases with provisions requiring the lessee to seek license renewals during the term of the lease and to reassign the license to the lessor at the expiration of the lease. In The Associated Broadcasters, Inc., 6 FCC 387, 392 (1938), the Commission held that such a reversionary interest in a broadcast license violated Sections 301 and 309 of the Act, stating: "To recognize such a right in the assignor would be tantamount to the recognition of an outsider to the use of a frequency at a future time." In other words, a reversionary interest is an impermissible interest in a broadcast frequency beyond the terms of the license.

In Magnolia Petroleum Co., 6 FCC 605, 607 (1938), the Commission cited Associated Broadcasters as well as Section 310(b) (now Section 310(d)) of the Act in acting on an assignment application based on an option agreement that contained a security interest in "the right to operate said station and all other rights pertaining thereto or connected therewith." Although the security interest was held by the seller, the Commission's objection was based not on that but, rather, on the nature of a security interest itself. "If the above provision be enforced, upon the mere failure of the purchaser to make payments . . ., the Magnolia Petroleum Company would not only repossess itself of the

physical property and equipment of the station but would, in addition, take over operation and management thereof." Id. Testimony that the seller did not "intend" to exercise any rights in the license without first applying to the FCC did not make the security interest acceptable. Id.

In Buffalo Broadcasting Corp., 11 FCC 118 (1945), the FCC rejected a long-term contract providing for (1) the reservation to the seller of programming time on the station for nearly 100 years, (2) weekly payments by the buyer to the seller, and (3) automatic reversion of the station assets, including the license, in the event of a breach of the contract by the buyer. On appeal, the U.S. Court of Appeals overturned the FCC's decision to repudiate the provisions for reversion of the station's physical property and weekly payments to the seller, while affirming the repudiation of the provisions for reversion of the broadcast license itself and the reservation of broadcast time. Churchill Tabernacle v. FCC, 160 F.2d 244, 247 (D.C. Cir. 1947). "This follows, we think, from those sections of the Act which preclude private ownership in a broadcast license, and which also prohibit the creation of rights in the frequencies beyond the license term". Id. at 248.

On remand, the FCC sought public comment on a rule of general applicability for reversionary interests and the reservation of broadcast time by station sellers. The

Commission focused on those subjects because they arose in Churchill Tabernacle and in prior decisions. See 14 Fed. Reg. 178 (January 13, 1949). This rulemaking led to the adoption of what is now 47 C.F.R. § 73.1150. However, nothing in Buffalo Broadcasting Corp., Churchill Tabernacle or the rulemaking proceeding suggests any intention to distinguish (or any basis in the Act for distinguishing) between security interests held by prior licensees and security interests held by other lenders. Rather, the focus was on reversionary interests simply because other types of security interests had not been developed or created. Nevertheless, the interpretation of the Act as it applied to reversionary interests is equally applicable to security interests held by other lenders -- indeed, the rationale for the prohibition is even more compelling because a holder of a reversionary interest at least previously had been approved by the Commission.

Many years later, in the Minority Ownership Policy rulemaking proceeding, the Commission considered whether, consistent with the Act, the restrictions on seller-financed security interests could be removed for the benefit of prospective minority purchasers. Commission Policy Regarding the Advancement of Minority Ownership in Broadcasting, 92 FCC 2d 849, 861 (1982). Although the focus in the rulemaking was again on reversionary interests, that term

was defined broadly enough to cover all types of security interests. Id., 99 FCC 2d 1249, 1253 n.15 (1985). Again, the Commission concluded that the Act did not permit a reversionary interest, mortgage, lien, pledge or any other form of a security interest in a broadcast license. Id., 99 FCC 2d 1253.

Outside the rulemaking context, both Commission decisions and court decisions have been remarkably consistent in interpreting the Act as precluding security interests in broadcast licenses. See Radio KDAN, supra; Kirk Merkley, 94 FCC 2d 829 (1983), recon. denied, 56 R.R. 2d 413 (1984), aff'd mem. sub nom. Merkley v. FCC, 776 F.2d 365 (D.C. Cir. 1985); Omega Cellular Partners, 5 FCC Rcd 7624 (Mobile Services Div. 1990); Stephens Industries, Inc. v. McClung, 789 F.2d 386 (6th Cir. 1986); Continental Bank, N.A. v. Everett, 760 F. Supp. 713, 717 (N.D. Ill. 1991), aff'd, U.S. App. Lexis 11280 (7th Cir., May 21, 1992); In re Smith, 94 B.R. 220 (Bankr. M.D. Ga. 1988).[5/]

The consistent, longstanding interpretation of the Act as prohibiting security interests in broadcast licenses should not be altered without compelling evidence that it is

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5/ TakCom is aware of only one contrary decision: Ridgely Communications Inc., 70 R.R.2d 286 (Bankr. D. Md. November 21, 1991), 1992 Bankr. Lexis 567 (Bankr. D. Md. April 15, 1992). The Ridgely court held that a secured creditor held a valid security interest in the proceeds of a sale of a license, but not a right to "foreclose" on a license or to impair the licensee's ability to transfer the license.

erroneous, particularly when Congress has declined to alter the Commission's interpretation during the Act's 58-year history. See Red Lion Broadcasting Co. v. FCC, 395 U.S. 367, 381 (1969); Maier v. FCC, 735 F.2d 220, 225 (D.C. Cir. 1984). TakCom respectfully submits that the FCC of the 1930's and 1940's was in a better position than the current Commission to discern the intent of Congress in 1934. The interpretation adopted then, which is that the Act precludes security interests in broadcast licenses, has been applied consistently for over 50 years, and there is no rationale for overturning that interpretation.

C. The Act Does Not Permit Security Interests in Rights Under Broadcast Licenses.

In the TakCom proceeding, one of the ways the banks have tried to circumvent the Act is to create an artificial distinction between security interests in broadcast licenses and security interests in the rights under broadcast licenses, particularly the right under Section 310(d) to seek approval of the assignment or transfer of a license prior to a sale of a station. The banks have claimed that even if the Act prohibited security interests in TakCom's broadcast licenses, they were nevertheless entitled to assert a security interest in TakCom's "rights" under those licenses.

Clearly, the purported distinction between a license and rights under a license is meritless. A broadcast license is a piece of paper with no significance other than to provide terms and conditions for the exercise of a limited statutory right -- the right to operate a station during the license term, in accordance with the license and the provisions of the Act and FCC rules and policies.

Moreover, the Act itself precludes any principled distinction between a license and the rights under a license. For example, Section 310(d) states that "[n]o . . . station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any manner . . . to any person except upon application to the Commission . . . ." [Emphasis added.] Section 309(h) by its terms applies to "the license [and] the right granted thereunder . . . ." [Emphasis added.] Even were there a distinction between a "license" and "rights under a license," it would be a distinction without a difference: the Act's explicit restrictions on licenses apply just as explicitly to the rights granted by the licenses. Accordingly, the Commission should reject any contrived distinction between security interests in licenses and security interests in rights thereunder.

3. As a Matter of Policy, the Prohibition on Security Interests Should Stand.

For the foregoing reasons, any decision to allow security interests in FCC licenses must come from Congress, as the author of the Act, not the FCC. Even if the Act allowed security interests in broadcast licenses, there are strong policy reasons for maintaining the prohibition. A change in the policy would harm a large class of unsecured creditors, who have justifiably relied on the current policy, and would endanger the independence and discretion of licensees. Secured creditors currently receive adequate protection for their loans in a variety of forms, including stock pledges and income assignments. The purported benefits from a change in the policy are largely speculative and ignore the important considerations supporting the current policy.

A. Analogies Between FCC Licenses and Other Licenses or Rights Are Meaningless.

Supporters of a change in the policy refer to state liquor licenses or other governmental authorizations, claiming that certain courts have recognized direct or indirect security interests in those authorizations. TakCom and other supporters of the current policy could point to the status of licenses in other states, or other governmental authorizations, and point out that courts there have refused to recognize security interests in those authori-

zations. Quite obviously, the position taken toward security interests in other governmental authorizations, whether they be liquor licenses or other interests, has no relevance to matters of federal communications policy. The Commission should ignore rulings, on either side of this issue, that do not involve broadcast licenses.

B. Secured Creditors Currently Receive Adequate Protection.

Hogan & Hartson and the lenders that submitted comments in response to the Hogan & Hartson petition suggested, with varying degrees of forcefulness, that the current "credit crunch" for broadcast acquisitions could be ameliorated by a change in the policy against security interests in broadcast licenses. TakCom does not dispute that the number of banks making loans for broadcast acquisitions is much smaller than it was a few years ago. (So, incidentally, is the number of banks.) However, TakCom believes this is not due to the decades-old policy on security interests but, rather, is due to the current economic climate and the number of broadcast loans in default.

During the 1980's, station prices soared as the economy grew out of the recession that occurred in the early part of the decade. In many cases, station prices had only the most tangential connection to ability to repay the underlying loan. Since then, broadcasters have been faced

with a national recession that has particularly affected advertising expenditures, as well as unprecedented competition for advertising dollars by competing media outlets. Stations' cash flow stopped growing and a number of owners went into default on their loans. Both broadcasters and banks are suffering as a result, and many banks have responded by getting out of the business of loaning money to broadcasters.

Attempts to tie the "credit crunch" to the policy on security interests are speculative, at best. As the Commission recognized in its Minority Ownership Policy decision, broadcast lenders have substantial protection of their interests through other forms of security. 99 FCC 2d at 1254. Lenders may obtain a pledge of corporate stock. In many cases, lenders have required a pledge of stock in a subsidiary that holds only the FCC licenses and incurs no other liabilities, so that the value of the stock pledge will not be diminished by other liabilities that the lender would assume by exercising the stock pledge.

Lenders may also obtain contractual protection, in the form of agreements requiring the borrower to cooperate with a public or private sale of the station, subject to FCC approval, and to cooperate with the assignment of the FCC licenses to the buyer, by signing any applications or other documents required for such an assignment. If the delay

associated with the exercise of a stock pledge or the sale and FCC transfer/assignment process will harm the lender, the lender may seek appointment of a receiver under state law, and the FCC approval process for assignment of the licenses to the receiver generally is quick. These forms of protection offered lenders sufficient protection to enter into extensive portfolios of broadcast loans prior to the "credit crunch." Claims that these protections are eroded in the bankruptcy context are more properly directed to Congress, as the author of the federal bankruptcy law (as well as the Act).

C. Security Interests Would Jeopardize the Independence of Broadcasters.

The protections discussed above give lenders a substantial amount of leverage over broadcast debtors. As the Motion Picture Association of America ("MPAA") and other commenters on the Hogan & Hartson petition have stated, a security interest in the debtor's broadcast license would give a lender even more leverage:

> If the FCC changes the rules, it would raise the possibility of a bank, with no more stake in broadcasting than getting a quick financial return, suddenly calling the shots on a struggling station's programming, news and personnel decisions.

Electronic Media, May 20, 1991, p. 14. A security interest in an FCC license would give the secured party an immutable